

Argument in Favor of Proposition 80

Five years ago, California was devastated by an electricity crisis.

Enron and other energy traders held Californians hostage, extorting tens of billions of dollars from us. They manipulated the electricity market, driving up wholesale prices 1000%. Californians faced rolling blackouts and untold economic damage.

Audiotapes released by the U.S. Justice Department revealed Enron energy traders boasting of “making buckets of money” by creating power shortages. One trader laughed about “all the money you guys stole from those poor grandmothers in California,” while another ordered a power plant worker to “just go ahead and shut her down.”

California’s failed experiment in electric deregulation cost our people and businesses billions of dollars.

We learned many lessons from that disaster. The state has taken some positive steps to clean up the mess—but not nearly enough. Amazingly, legislation to require sufficient supplies of electricity was vetoed by the Governor last year.

That’s why Proposition 80—the Repeal of Deregulation and Blackout Prevention Act—is on the ballot.

It provides critical reforms to make sure our deregulation nightmare never returns.

It provides the stability necessary to ensure long-term investment in new, clean electricity supplies.

Here’s how Proposition 80 accomplishes these goals:

Lower rates. It requires independent generators and utilities to compete against each other to give ratepayers the best deal on new power plants.

Adequate supplies. It requires all electricity providers to have enough power and reserves to keep the lights on. That simple requirement—critical to ending market manipulation and keeping the system stable—was vetoed last year.

Market stability. It makes sure that utilities know how many customers they will have to serve, so they can make long-term investments in new supplies. Amazingly,

deregulation advocates have pushed legislation that would create more uncertainty and destabilize the market.

Regulation. It ensures that all electricity providers are subject to regulation and control, so that traders cannot manipulate the system.

Renewables and energy efficiency. It speeds up the shift to renewable energy, and gives first priority to energy efficiency programs.

Ratepayer protection. It prevents small ratepayers from being forced onto potentially expensive time-of-use rates without their consent—especially important in hot climates.

Proposition 80 was carefully drafted by the state’s foremost consumer advocates and legal experts. It allows for amendments by the Legislature consistent with its purposes, to adjust to changing times.

Proposition 80 is a common-sense measure that achieves a clear goal:

Never again will California be taken to the cleaners by greedy energy traders.

Never again will we be subject to rolling blackouts and skyrocketing electricity prices because of power shortages and market manipulation.

Instead, Proposition 80 means that Californians can look forward to getting the cleanest, greenest energy at the lowest possible prices.

Proposition 80 means that Californians can expect a stable electricity future, with sensible long-term investment in cost-effective energy solutions.

That’s why consumers, seniors, environmentalists, business groups, labor organizations, minority groups, and people from all walks of life support Proposition 80.

ROBERT FINKELSTEIN, Executive Director
The Utility Reform Network (TURN)

RICHARD HOLOBER, Executive Director
Consumer Federation of California

NAN BRASMER, President
California Alliance of Retired Americans

Rebuttal to Argument in Favor of Proposition 80

Proposition 80 is the wrong way to make energy policy for California. The initiative would lock in renewable energy goals established back in 2002, even though environmental groups and Governor Schwarzenegger have urged that California should set higher targets for renewable energy. The initiative would make it harder for the Legislature to pass a stronger renewable plan in the future.

Proposition 80 is the wrong way for California. Vote NO on Proposition 80.

V. John White, Executive Director

Center for Energy Efficiency and Renewable Technologies

We agree with Mr. White and believe the proponents’ confusing argument shows just how risky Proposition 80 really is. No one wants to relive the Enron Era. This vote is about the future, not the past.

PROPOSITION 80 IS POORLY WRITTEN, RISKY ENERGY POLICY. IT’S BAD FOR CONSUMERS AND BAD FOR THE ENVIRONMENT. Energy policy is too complex for the initiative process and should be developed through a more comprehensive approach that includes public hearings.

What does Proposition 80 mean to you?

PROPOSITION 80 WON’T PREVENT ANOTHER ENERGY CRISIS OR FUTURE BLACKOUTS. *In fact, it could stall investment in new power plants California needs to prevent another energy crisis.*

PROPOSITION 80 WON’T LOWER YOUR ELECTRIC BILL AND IT ELIMINATES CUSTOMER CHOICE. *Proposition 80 prohibits power consumers like schools and hospitals from buying cheaper and cleaner energy, making needed goods and services more expensive and placing our environment at risk.*

Proposition 80 is too risky. Protect consumers and the environment. Vote No on Proposition 80.

LES NELSON, President
California Solar Energy Industries Association

DOROTHY ROTHROCK, Co-Chair
Californians for Reliable Electricity

TONY VALENZUELA, Associate Vice President
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